NOMINATIONS—U.S. COAST GUARD

HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

NOMINATIONS OF

VICE ADM. JAMES S. GRACEY, TO BE COMMANDANT; AND REAR ADM. BENEDICT L. STABILE, TO BE VICE COMMANDANT, U.S. COAST GUARD

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NOMINATIONS—U.S. COAST GUARD

WEDNESDAY, MAY 5, 1982

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., in room 235, Dirksen Senate Office Building, Hon. Bob Packwood (chairman of the committee) presiding.

Staff members assigned to this hearing: Anne M. Gavaghan, Staff Director; and James Drewry, Minority Professional Staff Member.

The CHAIRMAN. The hearing will come to order.

We are here today to ask some questions of both Admirals Gracey and Stabile. Admiral Hayes says he is just going to smile; he is not going to say anything.

I am delighted to have Secretary Lewis here. I think he has a few introductory comments for both of the admirals. Mr. Secretary.

STATEMENT OF HON. DREW LEWIS, SECRETARY, DEPARTMENT OF TRANSPORTATION

Secretary LEWIS. Thank you very much, Mr. Chairman.

With your permission, I have a written statement giving considerable background on the two candidates here this morning which I would like submitted for the record.

The CHAIRMAN. It will be in the record in full.

Secretary LEWIS. Very briefly, I would just like to say, I come here today with I guess mixed emotions. Admiral Hayes and Admiral Scarborough have done an outstanding job in operating the Coast Guard though, I guess we have to say, very stormy waters in the last 4 years. On top of all the other problems, he has had to train, what, three Secretaries of Transportation, which is more than anyone should have to do.

The two candidates who are being proposed today are unanimously recommended by the President, the Department of Transportation, and Admiral Hayes. As a matter of fact, when we went through the selection process the Deputy Secretary of Transportation, Darrell Trent, and Jack Hayes and I formed a committee to review all of the potential candidates for Commandant and Vice Commandant in the Coast Guard, and we kept our deliberations independent of each other and wrote on a piece of paper the person whom we felt was most qualified to be Commandant. And it was unanimous that it was Adm. Jim Gracey.

Admiral Gracey is not only a graduate of the Coast Guard Academy. Despite his MBA from Harvard, we continued to feel that he was the preeminent candidate. Therefore, I recommend him today.

Admiral Stabile is a graduate also of the Coast Guard Academy. In addition to that, he has a degree from Massachusetts Institute of Technology in naval construction and engineering.

Both of these gentlemen have been through I guess about every part of the Coast Guard you can imagine, from a ship command to more detailed assignments in terms of office operations, and we think are eminently qualified and we are delighted to present them to you today: Adm. Jim Gracey and Adm. Ben Stabile.

[The statement follows:]

STATEMENT OF HON. DREW LEWIS, SECRETARY OF THE DEPARTMENT OF TRANSPORTATION

Good morning, Mr. Chairman. It is certainly a pleasure for me to appear before this Committee accompanied by these distinguished Coast Guard officers. Most of you know Admiral Hayes, the outgoing Commandant and Vice Admiral Scarborough, the outgoing Vice Commandant. It is my pleasure to introduce to the Committee Vice Admiral James S. Gracey, the Commandant-Select, and Rear Admiral Benedict L. Stabile, the vice Commandant-Select.

Before proceeding further, let me publicly acknowledge the outstanding efforts of Admirals Hayes and Scarborough. They have served with distinction in the Coast Guard throughout their careers. During his tenure as Commandant, Admiral Hayes has sailed the Coast Guard through a sometimes stormy sea, but throughout it all has given the President and me his undivided support.

The time has come for a change of command, and it is for that purpose that I appear before you today. Vice Admiral Gracey, a native of Massaachusetts, graduated from the Coast Guard Academy in 1949. He subsequently served aboard the cutter BARATARAIA. He was stationed at the Captain of the Port office, Boston Massachusetts, and in 1953 he took command of the LORAN transmitting station in Yakutat, Alaska. He was then assigned as student at the Harvard Graduate School of Business Administration, where he received a Master of Business Administration Degree in June, 1956.

Jim Gracey next served a tour at Headquarters and then became commanding officer of the buoy tender MARIPOSA. He served staff assignments in the Second and Third Coast Guard District. He was deep selected for promotion to the rank of Captain and returned to Coast Guard Headquarters in July, 1969, to assume the post of Chief, Programs Division, under the Chief of Staff. In this capacity he was responsible for program priorities, capital equipment, and personnel requirements for the Coast Guard, and for formulating the related aspects of the Coast Guard budget.

In 1974, Captain Gracey served as Chief of Staff of the Fifth Coast Guard District, and upon his promotion to Rear Admiral, he assumed the duty of Commander, Ninth Coast Guard District. He was awarded the Legion of Merit in 1977 in recognition of the outstanding job he did as District Commander. Transferring to Headquarters in 1977, then-Rear Admiral Gracey assumed the post of Chief of Staff, for which he was awarded a Second Legion of Merit. He was promoted to Vice Admiral and assumed command of the Coast Guard Pacific Area in 1978, where he was awarded the Distinguished Service Medal. Finally, he was assigned to New York as Commander, Coast Guard Atlantic Area. Earlier this year the President nominated Vice Admiral Gracey to be the 17th Commandant of the Coast Guard with the rank of Admiral.

Rear Admiral Stabile graduated from the Coast Guard Academy in 1950. He served his next three years on ocean station patrol aboard cutters in the North Atlantic. He earned a degree in naval construction and engineering from Massachusetts Institute of Technology in 1956.

Ben Stabile served a tour at the Coast Guard Yard in Curtis Bay, followed by time aboard the icebreaker EASTWIND. Then came an engineering assignment on the staff of Commander, Eighth Coast Guard District. He was the Executive Officer and later Commanding Officer of the Coast Guard cutter RELIANCE.

From 1965 through 1973 he served in various assignments in the Fifth District and at Coast Guard Headquarters. He then commanded the Coast Guard cutter MELLON, where he received the Order of Merit from Italy in connection with the

rescue of survivors from the sunken tanker GIOVANNA LOLLI GHETTI. In July, 1975, Captain Stabile assumed command of the Coast Guard Yard. He was promoted to Rear Admiral in 1977 and served as the Chief, Office of Engineering at Coast Guard Headquarters. The Admiral was Commander, Seventh Coast Guard District when he was nominated by the President to be the Vice Commandant of the Coast Guard with the rank of Vice Admiral.

Mr. Chairman, it is a great pleasure for me to endorse the President's nomination of Vice Admiral Gracey and Rear Admiral Stabile. As you can easily tell from this brief run-down of their assignments, they have served with distinction throughout their careers, which cover almost every phase of Coast Guard operations.

With the recent release of the Coast Guard's Roles and Missions Study, which will set the stage for the Coast Guard's evolution from 1984 to the year 2000, Vice Admiral Gracey is presented with a unique challenge. Both his professional training as a Coast Guard officer and his formal training, particularly at the Harvard Business School, will certainly come into full use as we chart the course of the Coast Guard into the future. Admiral Stabile's comparable training in the engineering field will complement the new Commandant's expertise throughout the effort.

I want to take this opportunity to assure the Committee that Jim Gracey and Ben Stabile have both my and the President's full endorsement. Together we look forward to working with the Congress to ensure that the Coast Guard remains a national asset.

Thank you.

The CHAIRMAN. Mr. Secretary, thank you very much.

Admiral Gracey, do you have any statement?

STATEMENT OF VICE ADM. JAMES S. GRACEY, U.S. COAST GUARD

Admiral GRACEY. Good morning, sir. Yes, I do, a brief one.

As you may recall, this is the fourth time you have considered a nomination for me in the past 8 years. You confirmed my nomination to be rear admiral in 1974, and in 1978 you confirmed my nomination to be a vice admiral and commander of Coast Guard Pacific area, and last year you again confirmed me, that time as commander, Atlantic area, the position I now hold.

As an aside, I hope you do not change your mind today, sir.

The CHAIRMAN. I want you to understand that Congress does not regard consistency as the highest virtue. What we have done in the past is no guarantee of what we will do in the future.

Admiral GRACEY. You strike panic in my heart, sir.

A native of Massachusetts, I am 54 years old and I have been in the Coast Guard, as the cadets say, all my blooming life, sir, since I entered the Coast Guard Academy 37 years ago. I am married and have three children, and you have met my wife, Randy, who is here today and has shared my 33 years of commissioned service, and who is, I might add, about as gung ho a Coast Guard person as I know.

The CHAIRMAN. She has given me several questions she wants me to ask you.

Admiral GRACEY. Panic mounts.

As you can well imagine, I believe deeply in the Coast Guard and the contribution we make to the well-being of our country and those who use our waters for pleasure or profit. It is not at all an understatement to say I have a love affair going with our fine service and the Coast Guard people everywhere.

In the Coast Guard, the United States has a fine jewel, unequaled by any country in the world and envied by most. I have seen that personally in the several countries I have visited during my tours of duty as area commander, and in the maritime world

the Coast Guard is a microcosm of the United States, in my view, conveying to all the very image I believe the United States wants to convey as a nation in our relationships in the world: friendly, concerned about people, caring, strong, highly competent, and willing to sacrifice for the benefit of others.

The friendship, respect, and warm relations we have created are invaluable contributions to national security. So are the other things we do, such as protecting and saving lives and property to return to productive use, protecting our national assets, facilitating the flow of maritime commerce, reducing the destructive flow of drugs into the country, and draining the flowing of funds that pay for them.

Standing ever ready as one of our Armed Forces, we participate in military operations, insuring a national presence in polar regions and so on, with all that is involved. I think I mentioned briefly, the Coast Guard is a complex and sophisticated organization which contributes far more and has far more impact nationally and internationally than most can conceive of a service of such a relatively small budget and such few people. We must be sure the Coast Guard is able to be effective in its contribution to America's well-being and security.

Mr. Chairman, I know you are well aware of the things I have mentioned. I just want you to know that I too am very conscious of them and that, if confirmed, I will do all I can to make sure that the very important contributions of the Coast Guard and of the Coast Guard people continue to accrue to the benefit of the United States where and when needed.

Thank you, sir. I will be happy to answer your questions.

[The biographical sketch and material submitted for the record follow:]

BIOGRAPHICAL SKETCH OF VICE ADM. JAMES S. GRACEY, U.S. COAST GUARD, COMMANDER, COAST GUARD ATLANTIC AREA, AND COMMANDER, THIRD COAST GUARD DISTRICT

James Steele Gracey was born on August 24, 1927, in Newton, Mass. and was graduated from Needham High School.

Entering the U.S. Coast Guard Academy as a Cadet on July 12, 1945, he was graduated with a commission of Ensign on June 3, 1949, and received a B.S. degree in Engineering.

During his four years as a Cadet he served as the Battalion Commander, was captain of the baseball team, and was a member of both the soccer and the rifle teams. On graduation day he was awarded the prizes for Most Proficient in Practical and Theoretical Seamanship and Most Proficient in Tactics and Drills.

He remained at the Academy temporarily as Instructor in the Tactics Department until September 1949, when he was assigned as Deck Officer in the 311-foot ocean station vessel Barataria, based at Portland, Maine. During the summer and fall of 1951 he attended the Provost Marshall General School at the former Coast Guard Training Detachment, Camp Gordon, Georgia; the Coast Guard Explosives Loading Supervisors School at Port Chicago, CA; and the Illinois Institute of Technology Course on Fire Protection Engineering.

From September 1951 to April 1953 he was stationed at the Captain of the Port Office, Boston, Mass., where he was the Dangerous Cargo and Vessel Movements Officer. He also served collateral duty as Cadet Procurement Officer for Northern New England. Between March and May 1953 he attended the LORAN Indoctrination School at Coast Guard Training Station, Groton, Conn., following which he commanded the LORAN Transmitting Station, Ocean Cape, Yakutat, Alaska, for one year.

He then returned to the Coast Guard Academy for a brief assignment as Assistant Tactics Officer and baseball coach from June to September of 1954. During the fol-

lowing two years he was assigned as student at the Harvard Graduate School of Business Administration, where he received a Master of Business Administration Degree in June, 1956. As part of his work at Harvard he spent the summer of 1955 in Industry Training at Norton Company, Worcester, Mass.

He served his next tour of duty, from July 1956 to July 1960, at Coast Guard Headquarters, Washington, DC, as a Branch Chief in the Supply Division, working primarily in inventory management. During the following two years he commanded the buoy tender Mariposa out of New London, Conn., servicing aids to navigation along the seacoast of Connecticut and Long Island and breaking ice on the Hudson River.

From September, 1962 to April, 1965, he served as Comptroller, Second Coast Guard District, St. Louis, Mo., with collateral duties that included Cadet Procurement in Kansas and Missouri.

He next transferred to the Third Coast Guard District staff in New York to serve as Assistant Project Officer for the conversion of Fort Jay, Governors Island, from an Army Post to a Coast Guard facility. His duties included negotiating the transfer of equipment, planning staffing requirements, developing the organization for the host command, and planning all the Island's "humanities." For that duty he was awarded the Secretary of Treasury Commendation for Achievement Medal. From March, 1966 to June, 1969, he was Executive Officer of the Coast Guard Base on Governors Island, for which he received a Coast Guard Letter of Commendation. His special duties during that period included community relations with the large Island population and labor relations, including negotiating contracts with several different labor unions.

Deep selected for promotion to the rank of Captain, he returned to Headquarters in July, 1969 to assume the post of Chief, Programs Division under the Chief of Staff. In this capacity he was responsible for program priorities, capital equipment and personnel requirements of the Coast Guard; and for formulating the related aspects of the annual Coast Guard budget. For outstanding meritorious achievement in those duties he received the Meritorious Service Medal in 1973. Among other accomplishments he was cited for establishing planning and budgeting procedures and for developing a computer program for analyzing and translating resource requirements to aid the analytical processes in budget and program planning.

Following his nomination to flag rank by the President on January 17, 1974 and the approval of the Senate, the then Captain Gracey was transferred to Portsmouth, Va. in June, 1974, to become Chief of Staff, Fifth Coast Guard District. He was promoted to rank as Rear Admiral on October 1, 1974. At that time he assumed the duties of the Commander, Ninth Coast Guard District, Cleveland, Ohio, which cover Coast Guard operations in the Great Lakes region. For that tour of duty he was awarded the Legion of Merit in 1977.

In addition to his duties as District Commander, RADM Gracey served as Chairman of the Cleveland Federal Executive Board, Chairman of the Great Lakes Basin Commission Standing Committee on Transportation, and as Vice Chairman of the Winter Navigation Board. His other accomplishments included resolving long-standing issues regarding Great Lakes Pilotage and negotiating for the Secretary of Transportation a new agreement with Canada regarding those issues.

Tranferring again to Headquarters in August 1977, RADM Gracey assumed the post of Chief of Staff of the U.S. Coast Guard. For his performance in this assignment he was awarded a second Legion of Merit.

Promotion to Vice Admiral came when Admiral Gracey assumed command of the Coast Guard Pacific Area and also of the Twelfth Coast Guard District in San Francisco on July 1, 1978. In San Francisco he also served as Regional Emergency Transportation Coordinator, Chairman of the Department of Transportation's Regional Hazardous Materials Working Group, Chairman of the Minority Business Opportunity Committee of the San Francisco Federal Executive Board, and as Acting Regional Representative of the Secretary of Transportation. He was also a Trustee of United Way. For his performance during this tour of duty VADM Gracey was awarded the Distinguished Service Medal. He also received a U.S. Public Health Service Citation.

Transferred next to New York, VADM Gracey assumed the dual roles of Commander, Coast Guard Atlantic Area and Commander, Third Coast Guard District on 30 June 1981. In New York he also served as a Member of the Steering Committee of the Federal Executive Board, Chairman of the Military/Transportation Division for the Combined Federal Campaign, Member of the American Bureau of Shipping Classification Committee, Director of the USO, and Director of the United Seamen's Service.

On 12 February 1982, The President nominated VADM Gracey to be Commandant, United States Coast Guard, with the rank of Admiral.

Following is a resume of VADM Gracey's appointments in rank: Cadet, July 12, 1945; Ensign, June 3, 1949; Lieutenant (jg), September 27, 1951; Lieutenant. January 1, 1955; Lieutenant Commander, July 1, 1960; Commander, July 1, 1965; Captain, August 5, 1970; Rear Admiral, October 1, 1974; Vice Admiral, July 1, 1978.

VADM Gracey is married to the former Dorcas R. Neal of Needham, Mass., a graduate of Middlebury College and the University of Maryland Graduate School of Education. The have one son and two daughters, Kevin S., Cheryl A., and Pamela R.

VADM Gracey is the son of Mrs. Edna S. Gracey, who lives at 69 Plymouth Road, Needham, Mass., and Mr. Ernest J. Gracey, deceased.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 5, 1982.

Hon. BOB PACKWOOD,
Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to take this opportunity to heartily support the nomination of Vice Admiral James S. Gracey, USCG, to the post of Coast Guard Commandant.

Certainly Admiral Gracey has a proven record of dedicated duty in the Coast Guard and has gained the experience needed for the Commandant's job. His tenure as Ninth District Commander, in the Great Lakes area, makes his nomination especially exciting for those of us who know how well-liked he remains in our region.

It is my hope that your Committee, as well as the full Senate, will move swiftly in confirming Admiral Gracey's nomination.

Sincerely,

ROBERT W. DAVIS.

TRANSPORTATION INSTITUTE,
Washington, D.C., April 13, 1982.

Hon. ROBERT PACKWOOD,
Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Transportation Institute is a research and educational organization dedicated to the promotion of a strong maritime capability for the United States. Our 174 U.S.-flag member companies are engaged in all aspects of marine transportation from liner and bulk operations in our deep-sea foreign trades to tug and towboat services on the inland waterways system and in coastwise commerce. We note with interest the hearing scheduled before the Commerce, Science and Transportation Committee on May 5, 1982 to consider the nomination of Vice Admiral James S. Gracey as Commandant of the United States Coast Guard, and would like to take this opportunity to express our strong support for his confirmation to that position.

Over the years, I have had the opportunity and privilege of working closely with Admiral Gracey on several issues of concern to the maritime industry. In that capacity, I have observed his technical expertise and competence as he assumed command over Coast Guard operations in the Great Lakes region in 1974, the Coast Guard Pacific area and the Twelfth Coast Guard District in San Francisco in 1978, and the Coast Guard Atlantic area and the Third Coast Guard District in New York in 1981. The skills he demonstrated in the successful management of these three regions, as well as his success in several other high-ranking positions, illustrate a clear ability to fulfill a wide variety of responsibilities. Moreover, in addition to his technical capabilities, Admiral Gracey has the leadership qualities and personal attributes critical to the maintenance of an effective working relationship with the industry which is regulated by the agency that he has been nominated to command.

In short, Admiral Gracey's skills and experience make him uniquely qualified and clearly deserving of the nomination he has received. The Transportation Institute is therefore privileged to offer its high recommendation and sincere support for the confirmation of Admiral Gracey as Commandant of the United States Coast Guard.

I respectfully request that this communication be made part of the committee's official hearing record. Thank you very much.

Sincerely,

HERBERT BRAND, *Chairman.*

Bethesda, Md., May 4, 1982.

Hon. BOB PACKWOOD,
Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, D.C.

DEAR SENATOR PACKWOOD. Your Committee will soon hold a confirmation hearing on the nomination of Vice Admiral James S. Gracey, USCG to be Commandant, U.S. Coast Guard.

I have known Admiral Gracey for many years. Our paths have crossed several times during my thirty-three years of active Coast Guard duty and I can think of no better officer to take the helm of this Service not only because of what his leadership will mean to the Coast Guard but also because of the significant contribution I know he will make to our national security. Jim Gracey epitomizes that Rudyard Kipling exhortation "If you can walk with kings, nor lose the common touch . . . then you will be a man, my son". He is that kind of man.

Please include this endorsement in the printed record of your confirmation hearings.

Sincereiy yours.

JOHN M. BRUCE,
Captain, USCG (Retired).

THE AMERICAN WATERWAYS OPERATORS, INC.,
Arlington, Va., May 5, 1982.

Hon. BOB PACKWOOD,
Chairman, Committee on Commerce, Science, and Transportation,
Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN. The American Waterways Operator, Inc. (AWO), the national voice of the barge and towing industry, is pleased to support the nomination of Vice Admiral James Steele Gracey to the position of Commandant of the United States Coast Guard upon the retirement of Admiral John Briggs Hayes. AWO represents over 300 companies engaged in shallow-draft vessel operations or barge construction in all regions of the United States.

VADM Gracey has a long and distinguished career in the Coast Guard, and is regarded by all sectors of the maritime industry as a knowledgeable fair-minded officer. He can be depended upon to make correct decisions in those matters affecting the national interests and the interests of our waterborne commerce, an important part of the nation's transportation system.

AWO endorses VADM Gracey without reservation.

Sincerely,

ANTHONY L. KUCERA, *President.*

LAKE CARRIERS' ASSOCIATION,
Cleveland, Ohio, May 7, 1982.

Hon. BOB PACKWOOD,
Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN. Our President deserves accolades for the winner he has nominated to be Commandant of the United States Coast Guard for the next four years. Jim Gracey is equal to the demanding situation confronting his service and our national interests.

Even as a junior officer subordinate his imaginative probing approach to problems and his emerging leadership qualities stood out. Later observation of Jim in increasingly more responsible positions in the Coast Guard, his dedicated effectiveness was apparent and widely recognized.

His broad experience geographically in Alaska, Coast Guard Headquarters in Washington, D.C., St. Louis and Cleveland, as well as being Commander of the Pacific Area and also the Altantic Area provide the ultimate base for the top assignment.

Alongside and ably supporting Admiral Gracey throughout his career is a lovely wife, Dorcas, more affectionately known as Randy. Both members of this important team are compassionate, personable and understanding. They are good listeners, but above all, are doers.

From the Great Lakes region we recommend prompt confirmation of this appointment. Please include this endorsement in the printed record of the confirmation hearings.

Proudly,

PAUL E. TRIMBLE, *President.*

COAST GUARD AFFAIRS COMMITTEE,
La Plata, Md., May 10, 1982.

Hon. BOB PACKWOOD,
Chairman, Subcommittee, Commerce, Science, and Transportation,
U.S. Senate, Washington, D.C.

DEAR SENATOR PACKWOOD: Concerning your hearings to confirm the nomination of Vice Admiral James S. Gracey to the office of Commandant, United States Coast Guard, please accept the favorable endorsement of the Coast Guard Affairs Committee of the Reserve Officers Association of the United States. As the national chairman of this committee, I represent more than 2,500 Coast Guard Reserve Officers in active inactive, and retired status.

Those of us who are personally acquainted with VADM Gracey know him to be a patriotic, dedicated officer whose career is punctuated by one outstanding success after another. He is a leader of leaders, a compassionate and humble man. In all respects, he will perform his duties as Commandant with the highest degree of professionalism.

If possible, please make this favorable endorsement of VADM Gracey an official part of the record to confirm his appointment as Commandant of the Coast Guard.

Thank you for your consideration.

Sincerely,

CAPT. A. ROBERT MATT, USCGR,
Chairman.

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES,
Washington, D.C.

Hon. BOB PACKWOOD,
Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, D.C.

DEAR SENATOR PACKWOOD: I am writing this letter in my capacity as President, D.C. Chapter #4 Reserve Officers Association. This is a Coast Guard Chapter. Our members strongly support the selection of Vice Admiral James S. Gracey to be Commandant of the U.S. Coast Guard.

VADM Gracey has demonstrated his full commitment to a trained and ready Reserve. It is our feeling that the Nation and the Coast Guard will be well served by VADM Gracey. VADM Gracey is a man of great understanding and has never been so busy that he could not find time to look to the needs of his people.

It would be appreciated if this letter could become part of the hearing record. The members of ROA Chapter #4 D.C. ask for favorable consideration of VADM Gracey.

Sincerely,

JOHN LYNKER, *Captain.*

The CHAIRMAN. Admiral Gracey, thank you.

I think Admiral Stabile has a statement for us. Then I have some questions that you both may want to address.

STATEMENT OF REAR ADM. BENEDICT L. STABILE, U.S. COAST GUARD

Admiral STABILE. Mr. Chairman, it is a pleasure to appear before you this morning.

I did prepare a very brief statement which I have submitted. I was told 100 copies. I do not know what happens to all of that paper. Interesting management.

The CHAIRMAN. I do not either.

Admiral STABILE. But at any rate, I have submitted a very brief statement outlining my background a bit and my philosophy. I think in view of what Vice Admiral Gracey has said the only thing I can say is, he has said about all the things I would like to say about what the Coast Guard means to the country, and that Admiral Gracey and I are very much in tune in our philosophies, I am sure.

We have known one another since 1946 and I think we have a good feel for one another. I am certainly inclined to do my utmost in the next 4 years, if confirmed, to support Admiral Gracey in his tour at the helm of the Coast Guard.

I just wanted to say, thank you, and I am ready for questions.

[The statement, biographical sketch, and material submitted for the record follow:]

STATEMENT OF REAR ADM. BENEDICT L. STABILE, COMMANDER, 7TH DISTRICT, U.S. COAST GUARD

Good morning, Mr. Chairman, members of the Committee. I am Rear Admiral Benedict Stabile, Commander of the Seventh Coast Guard District, appearing before you today to seek confirmation of my nomination by the President to be the Vice Commandant of the United States Coast Guard.

In 1977, I was confirmed by this Committee for promotion to the grade of Rear Admiral assuming duties as Chief, Office of Engineering, of the Commandant's staff which office I managed until my transfer to Command of the Seventh District in Miami, Florida in June of 1979.

I am a native of Brooklyn, New York, age 54, and entered the Coast Guard Academy from high school in 1946, graduating in 1950. I have had continuous commissioned officer duty ever since. My wife of thirty-two years, Barbara, and I have four children.

My background in the Coast Guard is a blend of engineering and operational assignments including nine years of sea duty and four command assignments. My present assignment in the Seventh District has proven to be a most challenging one embracing the Cuban Boat Lift of 1980, the current Haitian Alien Interdiction Operation, and the interdiction of wide-spread seaborne marijuana smuggling. Additionally, my district has the highest search and rescue case load, running 12,000–14,000 cases per year.

In summary, I feel that my background would complement very nicely that of Vice Admiral Gracey's. I too feel very strongly that the Coast Guard is an invaluable asset to our government not only in the conventional maritime safety and facilitation missions but also as a key pillar upon which our national security rests.

Thank you, Mr. Chairman. I will be happy to answer questions.

BIOGRAPHICAL SKETCH OF REAR ADM. BENEDICT LOUIS STABILE, COMMANDER, 7TH COAST GUARD DISTRICT, U.S. COAST GUARD

Rear Admiral Stabile assumed the duty of Commander, Seventh Coast Guard District in June 1979.

A 1950 graduate of the United States Coast Guard Academy, Admiral Stabile served on four ships in the Atlantic, Pacific and Arctic, commanding one of them. His shore assignments have been in the areas of naval and ocean engineering. Previous assignments include Commanding Officer, Coast Guard Yard at Curtis Bay, Maryland and Chief, Office of Engineering at Headquarters.

Admiral Stabile earned a Degree in Naval Engineering in 1956 from the Massachusetts Institute of Technology.

His military awards include the Legion of Merit, Meritorious Service Medal with two gold stars and the Coast Guard Commendation Medal.

He was born on December 13, 1927, in Brooklyn, New York. He and his wife, the former Barbara Adele Thompson of Flushing, L.I., New York, reside in Miami, Florida. They have four children: Janet, Bennett, Gale and Roderick.

CHRONOLOGY OF DUTY ASSIGNMENTS

Benedict Louis Stabile was born on December 13, 1927, in Brooklyn, New York, where he was graduated from Brooklyn Technical High School in 1946.

Appointed a Cadet on July 22, 1946, he was graduated from the United States Coast Guard Academy, New London, Connecticut, with a Bachelor of Science Degree in Marine Engineering and with a commission of Ensign on June 2, 1950.

He served his first three years as a deck officer and student engineer on ocean station patrol and search and rescue in the North Atlantic in the CGC UNIMAK and CGC CASTLE ROCK out of Boston, Massachusetts. In 1952 of that period he was temporarily assigned as a student at the Atomic Defense School, Ft. McClellan, Alabama.

From June 1953 to June 1956, he was assigned as a student at the Massachusetts Institute of Technology, Cambridge, Massachusetts, earning a Naval Engineer Degree.

He next served for one year as Assistant to the Electronics Planning Officer at the Coast Guard, Curtis Bay, Maryland. From May 1957 to May 1959, he served as Assistant Engineer Officer and as Engineer Officer on board the polar icebreaker EASTWIND out of Boston, Massachusetts. During that period, he made several long sojourns to the Arctic on missions involving the supply of far northern weather stations and bases and sealift operations for DEW (Distant Early Warning) Line Stations.

His next tour of duty as a naval engineer included one year as an assistant branch chief and three years as a branch chief on the Engineering Staff of the Eighth Coast Guard District, New Orleans.

In July 1963, he was transferred to the office of the Coast Guard Resident Inspector at Todd Shipyard, Houston, Texas.

From August 1956 to August 1968, he served as Chief, Naval Engineering Branch, Fifth Coast Guard District, Portsmouth, Virginia, which was followed by duty as Chief, Boating Safety Branch of the same district until August 1969.

While next stationed at Coast Guard Headquarters, he served first as Senior Staff Assistant, Office of Engineering for one year and then as Assistant Chief, and later Chief, Ocean Engineering Division from June 1970 to June 1973.

During the following two years, he commanded the high endurance cutter MELLON, based in Honolulu.

In July 1975, he assumed the post of Commanding Officer, Coast Guard Yard, Curtis Bay, Maryland, in which he remained for two years.

Admiral Stabile was promoted to Rear Admiral on July 1, 1977. Concurrently, he was named to assume the post of Chief, Office of Engineering. In June 1979 he became Commander of the Seventh Coast Guard District, his present assignment.

CHRONOLOGY OF COAST GUARD PROMOTIONS

Following his initial appointment as Ensign on June 2, 1950, he was subsequently promoted as follows: Lieutenant (Junior Grade) on August 8, 1952; Lieutenant on July 1, 1955; Lieutenant Commander on July 1, 1961; Commander on July 1, 1966; Captain on June 11, 1971 and Rear Admiral on July 1, 1977.

MEDALS AND AWARDS

Legion of Merit, Meritorious Service Medal with two gold stars, and Coast Guard Commendation Medal.

THE AMERICAN WATERWAYS OPERATORS, INC.,
Arlington, Va., May 5, 1982.

Hon. BOB PACKWOOD,
Chairman, Commerce, Science, and Transportation Committee,
Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The American Waterways Operators, Inc. (AWO), supports the nomination of Rear Admiral Benedict Lewis Stabile to the position of Vice Commandant of the United States Coast Guard. AWO is the national association repre-

senting the barge and towing industry. Our 300-plus member companies operate on all major rivers and along all coastlines of the United States.

RADM Stabile's outstanding, 31-year Coast Guard career has included diverse assignments throughout the country, and he is knowledgeable about commercial shipping on both the inland and coastal waterways. We believe he is well qualified for the position of Vice Commandant.

Sincerely,

ANTHONY L. KUCERA, *President.*

Secretary LEWIS. Mr. Chairman, I would just like to add an aside. In the Coast Guard Academy, Jim was the pitcher and Ben was the catcher, so they worked together as a team before coming together at the Coast Guard at the present time.

With your permission, I would like to leave. I have a Cabinet meeting to attend.

The CHAIRMAN. I understand, Mr. Secretary, and I appreciate your taking the time to make introductions.

Gentlemen, I would expect that I will be working with you as closely as I have with Admiral Hayes, and I think he will tell you that, while I cannot share the same camaraderie with the Coast Guard that the three of you do, I share the same affection for it.

I am intimately familiar with the operations and workings of the Coast Guard. I have visited all of your stations in Oregon, some of them several times, and am most impressed. I also understand that you have got two obligations; I guess that is the best way to phrase it.

One is to the administration. You are going to be responsible for carrying out their budget, and the Coast Guard is not different in that sense than any other agency of the Government. To the best of my knowledge, no administration has ever given to any agency as much money as the agency is convinced, legitimately convinced, it needed; and therefore you take cuts where you think you should not, but must, and then must defend them.

On the other hand, you also have an obligation to Congress, and on occasion we have different priorities than the administration, and I think our founders meant that. They meant that tension to be built in. And so there will be times when I or the committee will probe you very deeply and will try, if we can, to get you to tell us, without being disloyal, where you may have some disagreements with the administration, where you think you need more money, or whether you can reprogram it if you had some alternative, if you did not have any more money.

To the extent that we can continue that same relationship I had with Admiral Hayes, it will be most helpful to me and, I can assure you in the short and long run, most helpful to the Coast Guard.

Today I want to ask you some general questions. As Admiral Hayes will tell you, I will have a hundred specific ones, sometimes on short notice, sometimes on long notice. But I am going to give you some general ones on the record today.

First, I know that you are aware, just by all of the excellent efforts of Admiral Hayes, that you are assuming command of a service which in my mind has suffered from current OMB neglect and a long history of being regarded by some executive branches as a stepchild. I think it is unfortunate. I think it is unfair, and you do not have to agree with my comments about the way I think you are treated. I think you are treated badly.

I would like to know, Admiral Gracey, how you are going to continue Admiral Hayes' efforts to defend the Coast Guard and counter what I find on occasion is low morale, aging equipment, and incredible overworking of personnel?

Admiral GRACEY. Well, first of all, Mr. Chairman, let me tell you that I come from an Irish background, and there is an old saying that the only reason an Irishman takes a step back is to get better leverage.

And I have already established, or I think I tried to establish in my statement, that I believe deeply in the Coast Guard and its people, and I have a love affair with both. I also have a love affair with the United States, and I think the two are inseparable.

So I find I can tell you that only as a foundation for where I am coming from. My style is to be up front, in the open, to say it like it is. I recognize the problem, as you have cited it, of sometimes diverse opinions as to where we should be and where we should be going.

I believe that my job is to tell the executive branch and the legislative branch of the Government where I believe the Coast Guard should be for the benefit of the United States, and I will do whatever I can to make that—to make our story clear and make our needs clear, and to see to it that our ability serve continues.

The CHAIRMAN. Let me ask you a specific question. It is a question that I asked Admiral Hayes in his last appearance here. As you are aware, the committee has authorized a higher level of authorizations than the administration requested. Can you carry out all the duties that we have imposed upon the Coast Guard—and they are certainly increasing, not decreasing—can you carry out all of these duties, in your estimation, adequately with the budget as recommended to Congress by the administration?

Admiral GRACEY. Sir, I have to tell you that I am not fully up to speed on the budget figures. But if you are talking about the one that is now on as opposed to the one that is being discussed with amendments and so forth, no, sir, we cannot.

The CHAIRMAN. You know the acquisition, construction, and improvement accounts have been a major concern of this committee, and you have already had, I am sure, every Member of the House, every Member of the Senate, every time you get a new cutter, every time you are going to cut back one helicopter, come and complain.

And one of the greatest groups of supporters you have going is the fact that you have got Coast Guard facilities all over this country to which all of us feel a very personal attachment. And I know the situation you have when you were asked to move equipment from one place to another, or where you are being asked to interdict Haitians or stop drug traffic, and you only have so many cutters and you only have so many helicopters. They can only fly so far, so often.

How do you anticipate that you are going to replace this equipment as quickly and as inexpensively as possible, from two standpoints. One, you are moving some equipment to other areas; and two, some of it is just reaching a place where you cannot in good conscience use it much longer.

Admiral GRACEY. That is correct, Senator. As an area commander I had, on both coasts, the problem of deciding priorities among missions. Where can we use the equipment we have? As an operational commander, of course my No. 1 obligation was to take the resources I had and to do as much of the job as I could with what I had and try to decide priorities and move equipment there.

I also instituted a system of reviewing the condition of the fleet on a daily basis and have stepped in and ordered ships not to sail because in my opinion they were not in condition to sail, and I was willing to sacrifice whatever mission it was. Obviously, if it is a matter of life at stake, you go and you take the chance. But I am talking about law enforcement patrols, and they can be done later, if they have to, or they can be neglected.

The important thing, I was not going to send my men to sea, my men and women to sea, in ships out of condition. So I tell you that just that I understand the problem from the other side.

I have always said, "Well, it is the Commandant's job to get the resources, it is my job to use them." If I become the Commandant, I guess I am going to have to live with that statement I have been making all this time, and I am going to try to get the resources.

I believe, sir, that there are ways for us, given adequate funding, I believe there are ways for us to spend it wisely and well. I believe our roles and missions study has given us a good look at our priorities. I do think we need to tie it in now with our personnel study and make sure we put the two together.

But in terms of acquiring the equipment and making sure we have what we need where we need it, we will be drawing a balance amongst our missions. That has always been a problem.

Last winter, for example, in my first year as the Atlantic area commander, we arranged a rescheduling of vessels so that we were able to provide adequate coverage for the bad winds off the New England coast with high-endurance cutters, and at the same time actually increased our operations in the Caribbean. We did this through a change of scheduling and through the careful monitoring of our maintenance procedure.

But you are talking, I think, in the sense of, given acquisition money, are we going to be able to spend it well and wisely? Yes, sir, I think we can. I think our processes can be streamlined. I have got a lot of ideas about how to do that.

Admiral Stabile and I have both worked together on those problems as captains, when he was in engineering and I was in the programing business, for arranging our funding requirements for you and our priorities. And we have also worked there when I was Chief of Staff and he was Chief of Engineering.

We both understand those problems. We agree that there are some ways to streamline.

I will tell you, sir, that I think there are also some things that the Congress can do to help us, not just us but all Government agencies, because frankly, sir, one of the places that this Government loses billions of dollars is through our procurement procedure.

The CHAIRMAN. Through what?

Admiral GRACEY. Our procurement rules and regulations. We just pour money, good money after bad, as we try to solve all these

social and economic ills of the country through the procurement process. And I understand that that has to be up to a point. But we get tied down.

We are so afraid to trust the contracting officer, and we are so afraid to take a chance, and we have so many checks and balances, that frankly, it takes almost a year to issue a major contract. I submit that that is patently ridiculous and I would hope to, when I get into a position, if you confirm me and I become the Commandant, I would like to talk further on that issue.

I think there are ways we can do that. I think there are some things we can do within our own agency to get around some of that.

The CHAIRMAN. Let me ask you this question. And I totally agree with you—on occasion we will throw so much money on a problem we cannot digest it. You just cannot spend it intelligently. You have to submit it quickly and unprogramed.

Apart from your Coast Guard cutters, which I grant you are major ships, which I realize are several years in building, if you had a significant increase in acquisition, construction, and improvement, could you buy most of your equipment off the shelf on relatively short notice?

Admiral GRACEY. Frankly, I do not know about the short notice. But frankly, sir, I think there are some existing designs and vessels; around the world, there are a lot of people who are designing ships of the kind that we are looking for.

And yes, the bottom line is yes, I believe we can. And that is one of the kinds of processes I was talking about.

The CHAIRMAN. You are saying even as far as ships are concerned, with reasonable notice you can even do it with ships?

Admiral GRACEY. I believe so.

The CHAIRMAN. Certainly with normal planes. You use helicopters. Your only limitation there would be the production schedules of the manufacturers.

Admiral GRACEY. That becomes a major problem, of course, and we do want to make sure, we do want to make sure that our people go to sea and fly in equipment which is aimed and geared for what they are doing. I would say that some of the off-the-shelf equipment, "off-the-shelf" was not—there is an old saying that when others are coming in the Coast Guard is going out. When the weather is so bad that everybody runs for cover, that is when the Coast Guard sails, oftentimes, and so we do subject our ships to terrible rigors. We drive them.

The same ship that sails into the polar ice, we also ask them to go to the tropics and the whole bit. And we put them in close to the rocks and reefs, and we—everything. And I just want to be sure that what we have can do that. That would be the one hesitancy.

But I do believe that there are designs that we can modify or take as-is and use, yes, I do.

Admiral Stabile would like to comment on that, Mr. Chairman.

The CHAIRMAN. Admiral Stabile?

Admiral STABILE. I heartily agree with what Admiral Gracey said. I would like to add one other facet. One of the big payoffs I think in Coast Guard equipment systems is the multimission con-

cept. And true, we sacrifice a certain amount in costs and whatnot, and it makes it more difficult to get off-the-shelf equipment.

But on balance we have to be careful, I think, to get the maximum payoffs from our assets in the system, to keep in mind that we may have to go multimission, and that frequently, in addition to the hardy equipment that the Admiral is talking about, it frequently requires, in essence, a custom design, a new design, in order to effect the economies of a multimission operation. We cannot lose sight of that.

The CHAIRMAN. The Coast Guard has recently been directed by the President to move men and equipment to other areas of the country, to the Gulf and the Southeast, to fight the drug smuggling, and I know this has caused a strain in other areas where you are losing Coast Guard services.

According to your figures, an additional $3.3 billion would be necessary to stop about 75 percent of the drugs now entering the United States just by water alone. Of course, this means a great portion of your budget is going to be devoted to that single function.

When is it justified, and how would it affect what most of us regard as your most important mission, which is your search and rescue?

Admiral GRACEY. Well, I think, at the risk of sounding like I am saying, "Back to you, Chet," I think—I am sorry, I know your name is not Chet. If it were, I would not say it.

But I think that the decision as to whether it is justified or not really is one for the people of the United States and therefore for the Congress to say. Certainly I think that the drug flow, the drug culture in the United States, is reprehensible to me, and I think certainly any effort to stop it is justified.

But obviously one gets to a point, when you are talking about the kinds of dollars you are talking, I think that has to be a decision for the Congress to make. If it is made, then we are going to have to have more equipment.

But to go to the latter part of your question, of should we sacrifice search and rescue for this, I really do not believe that there are very many missions that we should sacrifice, totally sacrifice, for any other mission. I described earlier the kinds of things I instituted as commander of the Atlantic area to try to preserve them all. I think there are different ways.

We did save our search-and-rescue capability at the same time we protected our fisheries and met our fisheries obligations, and we also were able to provide additional resources for the Caribbean. Now, obviously there comes a time when you cannot juggle schedules any more and you cannot do anything, and so you have to make some decisions.

Admiral Hayes I think has, from reading his testimony and knowing him as an individual, has I am sure repeatedly said that search and rescue will never be neglected, and I would certainly echo that. Coast Guard people everywhere, we talk about multimission. No matter what unit it is, it may be a primary aids to navigation unit or whatever, if somebody yells, "Help" everybody drops everything and goes to help.

Search and rescue is engrained in Coast Guard people. It is really the glue that holds us all together, sir. And that is why—we take pride in all we do, but that is the one thing that everybody hangs onto and makes us all feel good, and we recognize the value of it.

I think that our search-and-rescue service, just in terms of dollars, returned to the gross national product—everybody hates to put a dollar value on a life, but if you put a dollar value on life saving and so forth, I figured out one time on the west coast that through search and rescue alone we returned 3.2 times our total operating budget each year to productivity in the United States. I think that is a contribution to the welfare of this country that I do not think has really been adequately understood.

So just from the pure economics of the thing, I think we should do it. The humanity of it is that is the glue that holds us together, sir. You may be sure that search and rescue will not be neglected.

The CHAIRMAN. As far as a demographic is concerned, the figures I cited, $3.3 billion to stop 75 percent, that is an ephemeral figure. It is hard as hell to say if that will stop it or not, and that is just water. We are not talking about flights.

Assuming that the growth, preparation, packaging, and whatnot of these drugs in their raw form is allowed to continue overseas and we are unable to stop it—and there is a limit to our national sovereignty; we are not going to invade reserves where you see the drugs—can we stop drug smuggling, even if we spend what might be regarded as an unreasonable amount of money to do it? Or is it so pervasive that it almost is impossible to stop?

Admiral GRACEY. I do not know that I am fully qualified, Mr. Chairman, to describe adequately the pervasiveness. My impression is that it is really all-pervasive, and I see it with the young people that we look at who are coming to enlist in the Coast Guard. And I am sure that we are not unique and everybody has the problem.

I think that we can do a great deal to slow it down, to make them, make those who are involved in the trade have to work harder and spend more money, and hopefully make it uneconomical, although that is hard to imagine.

I think that we are going to have to have some very strict penalties for those who are caught. Frankly, this is a morale problem for my people.

The CHAIRMAN. Quite so. You mean you catch them and they are off in 30 days or probation or something?

Admiral GRACEY. Exactly, yes, sir. They say, "What in the world are we doing here? We are obviously taking chances with our lives and we really believe in what we are doing, and we bring them in and they get slapped on the wrist and get off."

That is not universally true, by the way. There are some sectors, some courts, that will come down hard, and we try to bring the ships in to where those judges are.

The CHAIRMAN. That is what I am saying. We get some of our better assistant district attorneys around the country, they work their tails off and they finally get a prosecution and conviction, and then nothing, or probation or a year in jail and time off. And they throw up their hands and wonder about all they went through.

Admiral GRACEY. We finally made some believers out of fishermen, the foreign fishermen, when we started hitting them with very severe penalties up in Alaska and along your coast, sir. And at that point people began to believe and we began to get the foreign fishermen cooperating much more.

The CHAIRMAN. That was a very good example that the deterrent theory works. You do not have to catch everybody. You can just catch a few with some significant penalties, and it is amazing how the word gets around.

Admiral GRACEY. Yes, sir.

The CHAIRMAN. That we mean business.

Admiral GRACEY. I believe that is so.

The CHAIRMAN. Do you see any significant changes—and now this is not where we direct you—in the Coast Guard's mission over the next 5 years which you would recommend as to the direction you should be going? Any changes in direction?

Admiral GRACEY. None at the moment, Mr. Chairman. Our roles and missions study explored that in some detail, and I was kind of fascinated to find out that the roles and missions study concluded definitely that we were on the right track, and yes, we should be changing our modus operandi in some areas, using contracts and some of those kinds of things, and that is just good management.

But in terms of basic nature of the Coast Guard and where we are going, I do not see it. But I have to tell you or have to say that there have been some things that have come along over the years that we would not have predicted, and yet they come. And that is one of the beauties of the Coast Guard, of course, is that we have the flexibility to change course or to go and pick up what seems to be important at the moment.

But to answer your question, I do not see any basic changes. I see us—I hope we will be able to grow in size to match—to carry out the roles and missions that have been defined, and to match the personnel study that was done, as we plan those through together and to give our people the numbers of people and the equipment they need.

Obviously we are just going to have to make decisions as to what we are not going to do and where we are not going to do it.

The CHAIRMAN. Now, have you been able to organize your own time and that of your subordinates in such a way that you will be able to pickup the impatience of this main elasticity stuff?

Admiral GRACEY. I did not realize what you were talking about.

The CHAIRMAN. Did I even get the incoleric right?

Gentlemen, I have no more questions today. I will be in touch with you once every 2 weeks for as long as you are both here.

Admiral GRACEY. Mr. Chairman, we will both look forward to that.

The CHAIRMAN. You will hear the secretary say, "Oh, Admiral, he is calling you again."

Admiral GRACEY. We will look forward to the contact, Mr. Chairman. Thank you.

The CHAIRMAN. Thank you very much, and I am sure you will both sail through this committee with no difficulty.

Admiral GRACEY. Thank you, sir.

Admiral STABILE. Thank you, sir.

The CHAIRMAN. Adjourned.
[Whereupon, at 10 a.m., the committee was adjourned.]

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